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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/655,409	09/04/2003	Timothy M. Keiser	10269/20	6575

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EXAMINER
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GRAHAM, CLEMENT B

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 01/27/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

10/655,409

Applicant(s)

KEISER ET AL.

Examiner

Clement B Graham

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on September 4, 2003.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-19 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-19 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)  | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date <u>6/04/04, 7/26/04</u> . | 6) <input type="checkbox"/> Other: _____  |

## DETAILED ACTION

### Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

2. Claims 1-19, are rejected under 35 U.S.C. 103(a) as being unpatentable  
Hereinafter Lupien et al (Hereinafter Lupien U.S Patent 6,012, 046 in view of Garman U.S. Patent 5, 819,237.

As per claims 1, 7-9, Lupien discloses a method for trading a plurality of derivative financial instruments over the Internet (see column 6 lines 35-36) comprising:

receiving a first order ("i. e, first order" see column 6 lines 15-20") to buy a derivative financial instrument that selectively represents a movie or a movie talent in an entertainment industry, said movie corresponding to a stock ("i. e, movie stock" see column 5 lines 6-67 and column 6 lines 1-8) and said movie talent corresponding to a bond ("i. e, movie talent bond" see column 5 lines 6-67 and column 6 lines 1-8) for trading over the Internet;

receiving a second order ("i. e, second order" see column 6 lines 15-20") to sell said derivative financial instrument (see column 6 lines 15-20) setting a market price based on the received first and second orders and at the set market price (see column 7 lines 15-53).

Lupien fail to explicitly teach executing a trade.

However Garman discloses price normalization in this module, the normalization factor  $\lambda_{sub.i}$  is set equal to the market price of the candidate trade. This equates each candidate trade according to their current mark-to-market, i.e., the value of the candidate trade by present market standards. (see column 10 lines 13-18 and column 4 lines 42-54).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lupien to include executing a trade at the set market price taught by Garman in order for trading a plurality of derivative financial instruments over the Internet.

As per claim 2, Lupien discloses further comprising setting a price for a new stock offering on the basis of a potential box office revenue for a movie represented by said new stock offering. (see column 7 lines 15-54).

As per claim 3, Lupien discloses further comprising setting a price for a new bond offering on the basis of a talent's popularity rating in the entertainment industry, such that one bond representing one talent with a low popularity rating is issued with a higher yield than another bond representing another talent with a high popularity rating. (see column 7 lines 15-54).

As per claim 4, Lupien discloses wherein the set market price is represented by electronic currency. (see column 5 lines 66-67 and column 6 lines 1-7).

As per claim 5, Lupien fail to explicitly teach discloses further comprising debiting a first account controlled by a first trader who issued said first order in the electronic currency for the executed trade, and crediting a second account controlled by a second trader who issued said second order with proceeds in the electronic currency for the executed trade.

Lupien discloses CMC can be coupled to an automated clearing system and/or accounting system. Orders that are matched can then be automatically output to such system(s) to assist in "backoffice" procedures. (see column 19 lines 29-32).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lupien to include debiting a first account controlled by a first trader who issued said first order in the electronic currency for the executed trade, and crediting a second account controlled by a second trader who issued said second order with proceeds in the electronic currency for the executed trade in order to credit the second account with payment debited from the first accounts.

As per claim 6, Lupien discloses electronic currency (see column 5 lines 66-67 and column 6 lines 1-8).

Lupien and Garman fail to explicitly teach Hollywood dollars. However Hollywood dollars represent the name of currency being traded and the description of the currency do not prevent the system from performing its functions of trading currency.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lupien and Garman Hollywood dollars because name of currency being traded and the description of the currency do not prevent the system from performing its functions of trading currency.

As per claims 10, 16-18, Lupien discloses a system for trading a plurality of derivative financial instruments over the Internet (see column 6 lines 35-36) comprising:

means for receiving a first order ("i. e, first order" see column 6 lines 15-20") to buy a derivative financial instrument that selectively represents a movie or a movie talent in an entertainment industry, said movie corresponding to a stock ("i. e, "movie stock" see column 5 lines 6-67 and column 6 lines 1-8) and said movie talent corresponding to a bond ("i. e, "movie talent bond" see column 5 lines 6-67 and column 6 lines 1-8) for trading over the Internet;

means for receiving a second order ("i. e, second order" see column 6 lines 15-20") to sell said derivative financial instrument (see column 6 lines 15-20) means for setting a market price based on the received first and second orders and set market price (see column 7 lines 15-53). and means for executing a.

Lupien fail to explicitly teach means for executing a trade.

However Garman discloses price normalization in this module, the normalization factor  $\lambda_{sub.i}$  is set equal to the market price of the candidate trade. This equates each candidate trade according to their current mark-to-market, i.e., the value of the candidate trade by present market standards. (see column 10 lines 13-18 and column 4 lines 42-54).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lupien to include means for

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executing a trade at the set market price taught by Garman in order for trading a plurality of derivative financial instruments over the Internet.

As per claim 11, Lupien discloses further comprising means for setting a price for a new stock offering on the basis of a potential box office revenue for a movie represented by said new stock offering. (see column 7 lines 15-54).

As per claim 12, Lupien discloses further comprising means for setting a price for a new bond offering on the basis of a talent's popularity rating in the entertainment industry, such that one bond representing one talent with a low popularity rating is issued with a higher yield than another bond representing another talent with a high popularity rating. (see column 7 lines 15-54).

As per claim 13, Lupien discloses wherein the set market price is represented by electronic currency. (see column 5 lines 66-67 and column 6 lines 1-7).

As per claim 14, Lupien fail to explicitly teach discloses further comprising debiting a first account controlled by a first trader who issued said first order in the electronic currency for the executed trade, and crediting a second account controlled by a second trader who issued said second order with proceeds in the electronic currency for the executed trade.

However Lupien discloses the CMC can be coupled to an automated clearing system and/or accounting system. Orders that are matched can then be automatically output to such system(s) to assist in "back office" procedures. (see column 19 lines 29-32).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lupien to include debiting a first account controlled by a first trader who issued said first order in the electronic currency for the executed trade, and crediting a second account controlled by a second trader who issued said second order with proceeds in the electronic currency for the executed trade in order to credit the second account with payment debited from the first accounts.

As per claim 15, Lupien discloses electronic currency (see column 5 lines 66-67 and column 6 lines 1-8).

Lupien and Garman fail to explicitly teach Hollywood dollars.

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However Hollywood dollars represent the name of currency being traded and the description of the currency do not prevent the system from performing its functions of trading currency.

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lupien and Garman Hollywood dollars because name of currency being traded and the description of the currency do not prevent the system from performing its functions of trading currency.

As per claim 19, Lupien discloses a computer-readable storage medium for storing program code means for, when executed, causing a computer to perform a method for trading a plurality of derivative financial instruments over the Internet (see column 6 lines 35-36) the method comprising:

receiving a first order ("i. e, first order" see column 6 lines 15-20") to buy a derivative financial instrument that selectively represents a movie or a movie talent in an entertainment industry, said movie corresponding to a stock ("i. e, movie stock" see column 5 lines 6-67 and column 6 lines 1-8) and said movie talent corresponding to a bond ("i. e, movie talent bond" see column 5 lines 6-67 and column 6 lines 1-8) for trading over the Internet;

receiving a second order ("i. e, second order" see column 6 lines 15-20") to sell said derivative financial instrument (see column 6 lines 15-20) setting a market price based on the received first and second orders and at the set market price (see column 7 lines 15-53).

Lupien fail to explicitly teach executing a trade.

However Garman discloses price normalization in this module, the normalization factor  $\lambda_{sub.i}$  is set equal to the market price of the candidate trade. This equates each candidate trade according to their current mark-to-market, i.e., the value of the candidate trade by present market standards. (see column 10 lines 13-18 and column 4 lines 42-54).

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the teachings of Lupien to include executing a trade

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at the set market price taught by Garman in order for trading a plurality of derivative financial instruments over the Internet.

### Conclusion

3. The prior art of record and not relied upon is considered pertinent to Applicants disclosure.

Liddy Eder (US Patent 6, 026, 388) teaches user interface and other enhancements for natural language information retrieval system and method.

Kohorn US PATENT: 5, 508, 731) teaches generation of enlarged participatory broadcast audience.

4. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Clement B Graham whose telephone number is 703-305-1874. The examiner can normally be reached on 7am to 5pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung S. Sough can be reached on 703-308-0505. The fax phone numbers for the organization where this application or proceeding is assigned are 703-305-0040 for regular communications and 703-305-0040 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-305-3900.

CG

January 23, 2005

  
HYUNG SOUGH  
SUPERVISORY PATENT EXAMINER  
TECHNOLOGY CENTER 3600